

MANCOS WATER CONSERVANCY DISTRICT

Independent Accountants' Reports
and
Basic Financial Statements

December 31, 2021

MANCOS WATER CONSERVANCY DISTRICT

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December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Mancos Water Conservancy District
Mancos, Colorado 81328

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Mancos Water Conservancy District as of and for the year ended December 31, 2021, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Mancos Water Conservancy District, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Mancos Water Conservancy District, and to meet other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mancos Water Conservancy District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mancos Water Conservancy District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District of Mancos Colorado's ability to continue as a going concern for a reasonable period of time.

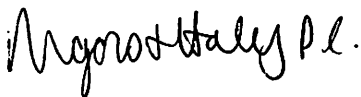
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 13 and pages 33 through 34 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mancos Water Conservancy District's basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Majors and Haley, P.C.
July 20, 2022

MANCOS WATER CONSERVANCY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2021

FINANCIAL HIGHLIGHTS

Key financial highlights for the District in 2021 are as follows:

- In total, net position decreased by \$375,159. Net position of governmental activities increased by \$9,422, which represents a 1 percent increase from 2020. Net position of business type activities decreased by \$384,581 or 34 percent from 2020.
- General revenues accounted for \$250,098 in revenue or 29 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$596,113 or 71 percent of total revenues of \$846,211.
- Governmental activities total assets increased by \$29,841. Total liabilities and deferred inflows of resources increased by \$20,419.
- The District incurred \$80,846 in expenses related to government activities. General revenues (primarily property taxes) of \$90,268 were adequate to cover the balance of these programs.
- The General Fund had \$150,268 in revenues and other financing sources and \$140,846 in expenditures and other financing uses. It's fund balance increased by \$9,422 from \$917,664 to \$927,086.
- Net position of the Enterprise Funds decreased from \$1,130,144 to \$745,563.

MANCOS WATER CONSERVANCY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.
- The governmental funds statements tell how basic services such as general government were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the District operates like businesses, such as water and sanitation services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

MANCOS WATER CONSERVANCY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2021

The two District-wide statements report the District's net position and how it has changed. Net position (the difference between the District's assets and deferred outflows of resources less liabilities and deferred inflows of resources) is one way to measure the District's financial position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of District facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- **Governmental activities-** Most of the District's basic services are included here, such as general government. These activities are financed mainly through property taxes.
- **Business-type activities-** The District charges fees to help cover the costs of certain services it provides. The District's water fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the District establishes other funds to help it manage and control its finances to achieve certain results.

The District uses two types of funds:

- **Governmental funds-** Most of the District's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the

MANCOS WATER CONSERVANCY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2021

services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

- **Proprietary funds-** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flow analysis.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Total assets decreased by \$417,017. Net capital assets decreased \$26,702. Current liabilities increased by \$3,868. Non-current liabilities decreased by \$65,063. Deferred inflows of resources increased by \$19,337.

The District's combined net position was smaller on December 31, 2021 than it was at December 31, 2020, decreasing by 19% percent to \$1,672,649. None of the decrease came from its governmental activities, the net position of which increased by \$9,422 to \$927,086. The entire decrease came from the Districts business type activities, the net position of which decreased \$384,581 to \$745,563.

MANCOS WATER CONSERVANCY DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2021**

Table 1 provides a summary of the District's net position for 2021 compared to 2020:

**Table 1
Statement of Net Position**

	Governmental Activities		Business-type Activities		Total District	
	2021	2020	2021	2020	2021	2020
Assets						
Current assets	\$ 1,171,745	\$ 1,141,904	\$ 178,143	\$ 598,299	\$ 1,349,888	\$ 1,740,203
Capital assets			1,603,070	1,629,772	1,603,070	1,629,772
Total assets	1,171,745	1,141,904	1,781,213	2,228,071	2,952,958	3,369,975
Liabilities						
Current liabilities	1,517	435,000	3,966	1,180	5,483	1,615
Noncurrent liabilities			1,031,684	1,096,747	1,031,684	1,096,747
Deferred inflows of resources	243,142	223,805			243,142	223,805
Net Position						
Net investment in capital assets			571,386	533,025	571,386	533,025
Restricted	5,000	15,000			5,000	15,000
Unrestricted	922,086	902,664	174,177	597,119	1,096,263	1,499,783
Total net position	927,086	917,664	\$ 745,563	\$ 1,130,144	\$ 1,672,649	\$ 2,047,808

MANCOS WATER CONSERVANCY DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2021**

Table 2 shows the changes in net position for fiscal year 2021 as compared to 2020.

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total District	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services			\$ 206,785	\$ 210,757	\$ 206,785	\$ 210,757
Capital grants & contributions			389,328	533,769	389,328	
General revenues						
Property taxes	\$ 150,268	\$ 145,174	98,104	94,940	248,372	240,114
Transfers	(60,000)	(60,000)	60,000	60,000		
Other			1,726	32,977	1,726	32,977
Total revenues	90,268	85,174	755,943	932,443	846,211	483,848
Expenses						
General government	80,846	70,550			80,846	70,550
Public works			1,140,524	521,782	1,140,524	521,782
Total expenses	80,846	70,550	1,140,524	521,782	1,221,370	592,332
Increase (decrease) in net position	\$ 9,422	\$ 14,624	\$ (384,581)	\$ 410,661	\$ (375,159)	\$ (108,484)

MANCOS WATER CONSERVANCY DISTRICT

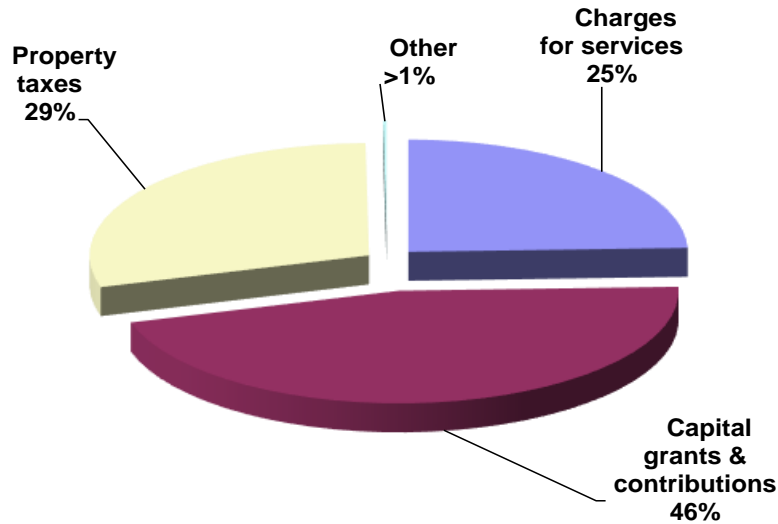
**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

For the Year Ended December 31, 2021

Charges for services, capital grants and property taxes accounted for most of the District's total revenue, contributing 25 percent, 46 percent and 29 percent respectively (See Table 3). Less a percent came from other revenues.

The District's expenses are predominately related to, public works (88 percent) with the remainder related to general government (12 percent).

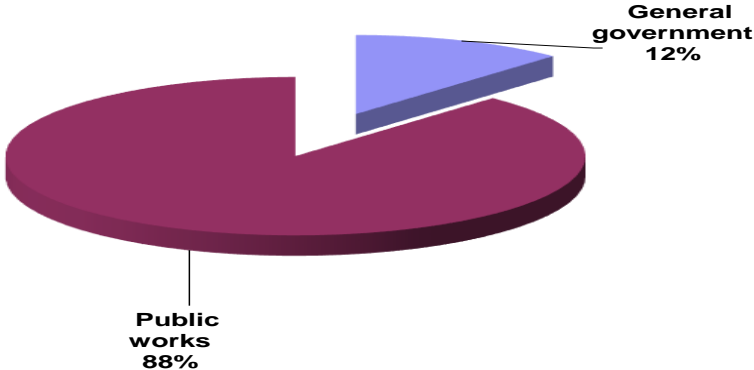
Table 3
Sources of Revenue for Fiscal Year 2021



MANCOS WATER CONSERVANCY DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2021**

**Table 4
Expenses for Fiscal Year 2021**



Governmental Activities

The only source of operating revenue for the District comes from property taxes. The District receives 100 percent of this funding from this source.

The statement of activities shows the cost of program services and the charges for services those service costs. Table 5 shows, for governmental activities, the total cost of services and net cost of services. That is, it identifies the cost of these services supported by general revenues including general property taxes.

MANCOS WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2021

Table 5
Government Activities

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
General government	\$ 80,846	\$ 70,550	\$ (80,846)	\$ (70,550)
Total	<u>\$ 80,846</u>	<u>\$ 70,550</u>	<u>\$ (80,846)</u>	<u>\$ (70,550)</u>

- The cost of all governmental activities during the year was \$80,846.
- None of the cost was financed by the users of the District's programs
- However, \$90,268 was financed by state and District taxpayers. This portion of governmental activities was financed with \$150,268 in property and specific ownership taxes, however \$60,000 was allocated to the special water fund.

Business-type Activities

Business-type activities are made up of the Water Fund. These programs had revenues of \$755,943 and expenses of \$1,140,524.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Information about the District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental

MANCOS WATER CONSERVANCY DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2021**

funds have total revenues and other financing sources of \$846,211 and expenditures of \$1,221,370.

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

CAPITAL ASSET ADMINISTRATION

By the end of 2021, the District has invested \$1,952,731 in land, water rights, buildings, and equipment (including vehicles), of this total all was from business activities.

Table 6 shows capital assets for 2021 compared to 2020:

***Table 6
Capital Assets at December 31***

	Business-Type Activities	
	2021	2020
Land/Water rights	\$ 1,135,827	\$ 1,135,827
Buildings/Facilities	389,167	389,167
Equipment	427,737	427,737
Total	<u>\$ 1,952,731</u>	<u>\$ 1,952,731</u>

Additional information on the District's capital assets can be found in the Notes to the Financial Statements on page 30 of this report.

MANCOS WATER CONSERVANCY DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

For the Year Ended December 31, 2021

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District is not aware of any existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Mancos Water Conservancy Administration office at 42599 County Road N, Mancos, CO 81328.

Mancos Water Conservancy District
Statement of Net Position

December 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 926,441	\$ 178,143	\$ 1,104,584
Cash with county treasurer	2,162		2,162
Property tax receivable	243,142		243,142
Capital assets		1,952,731	1,952,731
Accumulated depreciation		(349,661)	(349,661)
Total capital assets, net of depreciation	-	1,603,070	1,603,070
Total Assets	1,171,745	1,781,213	2,952,958
Liabilities			
Accounts payable	1,517	877	2,394
Payroll tax payable		3,089	3,089
Long-term liabilities			
Due in more than one year		1,031,684	1,031,684
Total Liabilities	1,517	1,035,650	1,037,167
Deferred inflows of resources			
Unearned property tax revenue	243,142	-	243,142
Net Position			
Net investment in capital assets		571,386	571,386
Restricted			
TABOR	5,000		5,000
Unrestricted	922,086	174,177	1,096,263
Total Net Position	\$ 927,086	\$ 745,563	\$ 1,672,649

The accompanying notes are an integral part of this statement.

MANCOS WATER CONSERVANCY DISTRICT
Statement of Activities

For the Year Ended December 31, 2021

	Program Revenues			Net (Expenses) Revenue And Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities							
General government	\$ 80,846				\$ (80,846)		\$ (80,846)
Total Governmental Activities	<u>80,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,846)</u>		<u>(80,846)</u>
Business-Type Activities							
Water operations	1,140,524	\$ 206,785		\$ 389,328		\$ (544,411)	(544,411)
Total Business-Type Activities	<u>1,140,524</u>	<u>206,785</u>	<u>-</u>	<u>389,328</u>		<u>(544,411)</u>	<u>(544,411)</u>
Total District	<u>\$ 1,221,370</u>	<u>\$ 206,785</u>	<u>\$ -</u>	<u>\$ 389,328</u>	<u>(80,846)</u>	<u>(544,411)</u>	<u>(625,257)</u>

General Revenues

Property taxes	124,376	98,104	222,480
Specific ownership taxes	25,892		25,892
Earnings on investments		1,726	1,726
Transfers	(60,000)	60,000	-
Total General Revenues	<u>90,268</u>	<u>159,830</u>	<u>250,098</u>
Change in Net Position	9,422	(384,581)	(375,159)
Net Position Beginning of the Year	917,664	1,130,144	2,047,808
Net Position End of the Year	<u>\$ 927,086</u>	<u>\$ 745,563</u>	<u>\$ 1,672,649</u>

The accompanying notes are an integral part of this statement.

Mancos Water Conservancy District
Balance Sheet
Governmental Funds

December 31, 2021

		<u>General Fund</u>
Assets		
Cash and investments	\$	926,441
Cash with treasurer		2,162
Property tax receivable		243,142
Total assets	\$	<u>1,171,745</u>
Liabilities		
Accounts payable	\$	1,517
Total liabilities		<u>1,517</u>
Deferred inflows of resources		
Unearned property tax revenue		<u>243,142</u>
Fund balance		
Restricted		
TABOR		5,000
Unrestricted		
Assigned for subsequent year's expenditures		922,086
Total fund balance		<u>927,086</u>
Total liabilities, deferred inflows of resources, and fund balance	\$	<u>1,171,745</u>
Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position		
Total fund balance governmental funds	\$	927,086
Amounts reported for governmental activities in the Statement of Net Position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Capital assets		
Accumulated depreciation		<u>-</u>
Total net position governmental activities		<u>927,086</u>

The accompanying notes are an integral part of this statement.

Mancos Water Conservancy District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund

For the Year Ended December 31, 2021

	General Fund
Revenues	
Taxes	\$ 150,268
Total revenues	150,268
Expenditures	
General government	80,846
Total expenditures	80,846
Other financing sources (uses)	
Transfers	60,000
Total other financing sources (uses)	60,000
Excess (deficit) of revenues over (under) expenditures	9,422
Fund Balances beginning of the year	917,664
Fund balances end of the year	\$ 927,086

The accompanying notes are an integral part of this statement.

Mancos Water Conservancy District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2021

Net Change in Fund Balances Governmental Funds \$ 9,422

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlay	\$ -	
Depreciation expense	-	
	<hr/>	-

Change in Net Position of Governmental Activities \$ 9,422

The accompanying notes are an integral part of this statement.

Mancos Water Conservancy District

Statement of Net Position Proprietary Fund Type-Enterprise Funds December 31, 2021

	<u>Business-type Activities Water Fund</u>
Assets	
Current assets	
Cash	\$ 178,143
Total current assets	<u>178,143</u>
Noncurrent assets	
Capital assets	1,952,731
Accumulated depreciation	(349,661)
Total noncurrent assets	<u>1,603,070</u>
Total assets	<u>1,781,213</u>
Liabilities	
Current liabilities	
Accounts payable	877
Payroll tax payable	3,089
Total current liabilities	<u>3,966</u>
Noncurrent liabilities	
Notes and bonds payable	1,031,684
Total noncurrent liabilities	<u>1,031,684</u>
Total liabilities	<u>1,035,650</u>
Net position	
Net investment in capital assets	571,386
Unrestricted	174,177
Total net position	<u>\$ 745,563</u>

The accompanying notes are an integral part of this statement

Mancos Water Conservancy District
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund Type
Enterprise Funds

For the Year Ended December 31, 2021

	Business-type Activities
	Water Fund
Operating revenues	
Charges for services	\$ 58,759
Water assessments	148,011
Other operating revenues	15
Total operating revenues	206,785
Operating expenses	
Salaries and benefits	52,864
Payroll Tax	3,939
Office	1,195
Subscriptions, dues and permits	3,086
Professional fees	
Insurance	27,762
Contractual obligations	949,266
Equipment operations	7,189
Maintenance	27,800
Utilities	8,112
Miscellaneous	1,901
Depreciation	26,702
Total operating expenses	1,109,816
Operating income (loss)	(903,031)
Non-operating revenues (expenses)	
Property Tax	98,104
Grant revenue	389,328
Dividends	1,102
Interest	625
Transfers in	60,000
Debt service-interest	(30,709)
Total non-operating revenue	518,450
Change in net position	(384,581)
Net position beginning of the year	1,130,144
Net position end of the year	\$ 745,563

The accompanying notes are an integral part of this statement.

Mancos Water Conservancy District

Statement of Cash Flows
Proprietary Fund Type
Enterprise Funds

For the Year Ended December 31, 2021

	<u>Business-type Activities Water Fund</u>
Cash Flows From Operating Activities	
Cash received from customers	\$ 206,785
Cash payments to employees for services	(52,864)
Cash payments to suppliers for goods and services	(1,027,464)
Net Cash Flows provided (used) by Operating Activities	<u>(873,543)</u>
Cash Flows From Capital and Related Financing Activities	
Grant received	389,328
Principal paid on debt	(65,063)
Interest paid on debt	(30,709)
Net Cash Flows provided (used) by Capital and Financing Activities	<u>293,556</u>
Cash Flows from Noncapital Financing Activities	
Property Tax	98,104
Transfers in	60,000
Total Cash Flows provided (used) by Noncapital Financing Activities	<u>158,104</u>
Cash flows from Investing Activities	
Earnings on investments	<u>1,727</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(420,156)
Cash and Cash Equivalents - Beginning	598,299
Cash and Cash Equivalents - Ending	<u>\$ 178,143</u>
Reconciliation of operating income (loss) to Net Cash provided (used) by Operating Activities	
Operating income (loss)	\$ (903,031)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	26,702
Changes in assets and liabilities related to operations:	
Increase (Decrease) in	
Operating accounts payable	2,786
Net Cash provided (used) by Operating Activities	<u>\$ (873,543)</u>

The accompanying notes are an integral part of this statement.

MANCOS WATER CONSERVANCY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Summary of Significant Accounting Policies - Mancos Water Conservancy District's, (the District) financial statements are prepared in accordance with U.S. generally accepted accounting principals (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statement of Interpretations).

The following significant accounting policies were applied to the preparation of the accompanying financial statements.

Reporting Entity – Mancos Water Conservancy District is a special district organized under Colorado Revised Statute 32-4-101. The area served includes the Town of Mancos and the surrounding area.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements that provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Fund Accounting – The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and in the means by which spending activities are controlled. The various funds are grouped into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

Governmental Funds – are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds). The following are the District's major governmental funds.

General Fund – is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes and specific ownership taxes.

MANCOS WATER CONSERVANCY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Proprietary Funds–

Enterprise Funds – focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The District’s enterprise funds are:

Water Fund- is used to account for the financial transactions related to the water distribution operations of the District.

Basis of Presentation-

District -wide Financial Statements- The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The District -wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with a brief explanation to better identify the relationship between the District-wide financial statements and the statements for governmental funds.

The District -wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements- Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current

MANCOS WATER CONSERVANCY DISTRICT

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financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting – determines when transactions are recorded in the financial records and reported on the financial statements. District -wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues- Exchange and Non-exchange Transactions- Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value are recorded on the accrual basis when the exchange takes place. On a modified accrual basis revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when used is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, interest, and certain grants.

MANCOS WATER CONSERVANCY DISTRICT

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Operating Income-Proprietary Funds- operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Unearned Revenue- arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

Expenses/Expenditures- On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds

Budgets and Budgetary Accounting – The District is required by Colorado Statutes to adopt annual budgets for all funds. Each budget is prepared on the same basis (U.S. GAAP basis) as that used for accounting purposes, except for the Proprietary Funds, which are prepared essentially on the modified accrual basis of accounting. This basis of accounting is at variance with U.S. GAAP.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to October 15, the Budget Officer submits to the District Board a proposed operating budget for the fiscal year commencing the following January 1.

The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain comments.

Prior to December 31, the budget is legally adopted through passage of adoption and appropriations resolutions.

Formal budgetary integration is employed as a management control device during the year.

MANCOS WATER CONSERVANCY DISTRICT

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Department directors are authorized to transfer budget amounts within the department. However, the District Board must approve any revisions that alter the total expenditures of any department.

Appropriations are adopted by resolution for each fund in total and lapse at the end of each year. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

Cash and Cash Equivalents – for the purpose of the Statement of Cash Flows of the Enterprise Funds is considered to be all of the highly liquid investments with a maturity of six months or less.

Capital Assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the District-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the District -wide statements of net position and in the respective fund financial statements,

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are valued at their estimated fair value on the date donated. The District maintains a capitalization threshold of five thousand dollars.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings and Facilities	15 to 50 Years	15 to 50 Years
Equipment	5 to 15 Years	5 to 15 Years

Property Tax Revenue Recognition – Property taxes are billed and collected on behalf of the District by the Dolores County Treasurer. The property taxes are levied and certified in December of the year prior to the year the taxes are collected. Property taxes become an enforceable lien on January 1 of each year. Secured property taxes are due in two equal installments on February 28 and June 15, and are delinquent after February 28 and June 15 respectively. The entire balance can be paid by April 30 without penalty. Property taxes levied are recorded as deferred revenues in the year levied, as they are not due until the following

MANCOS WATER CONSERVANCY DISTRICT

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year. An allowance for un-collectible taxes is not provided as the un-collectible amounts were determined to be negligible based upon an analysis of historical trends.

Accrued Liabilities and General Long-Term Obligations- All payables, accrued liabilities and long-term obligations are reported in the District -wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payment made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements.

Governmental Fund Balances- In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable- Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted- Amounts that can be used only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. This includes the District's TABOR reserve for emergencies.

Committed- Amounts that can be used only for specific purposes determined by a formal action by the District Board.

Assigned- Amounts that are designated by the District Board for a particular purpose but are not spendable until appropriated. This includes assignments for subsequent year's expenditures.

Unassigned- All amounts not included in other spendable classifications.

Use of Restricted Resources- When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources and the toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and

MANCOS WATER CONSERVANCY DISTRICT

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December 31, 2021

then to other less restrictive classifications- committed and then assigned fund balances before using unassigned fund balances.

Net Position- Net position represents the difference between assets, deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses- Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales related to water services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Inter-fund Transactions- Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management’s estimates.

Cash and Investments – The District maintains its cash in the form of deposits in financial institutions.

Deposits- The Colorado Public Deposit Protection Act (PDPA) governs the District’s cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a fair market value at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in collateral pools.

At December 31, the carrying amount of the District’s deposits was \$1,104,584 and the bank balance was \$1,204,382. The District’s bank balances at December 31, 2021 and during the

MANCOS WATER CONSERVANCY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

year then ended were entirely covered by FDIC insurance or pledged collateral held by the District's agent bank in the name of governmental accounts of which the District is a part.

Capital Assets – Capital asset activity for the fiscal year ended December 31, 2021 follows:

	Balance Jan 1, 2021	Additions	Deletions	Balance Dec 31, 2021
Business Type Activities				
Capital assets, not being depreciated:				
Land	\$ 208,250			\$ 208,250
Water rights	927,577			927,577
Total Capital assets, not being depreciated:	1,135,827			1,135,827
Capital assets being depreciated				
Building	389,167			389,167
Machinery and equipment	427,737			427,737
Total capital assets being depreciated	816,904			816,904
Less accumulated depreciation	(322,959)	\$ (26,702)		(349,661)
Net capital assets being depreciated	493,945	(26,702)		467,243
Business Type Activities Capital Assets net	\$ 1,629,772	\$ (26,702)	-	\$ 1,603,070

MANCOS WATER CONSERVANCY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Depreciation expense was charged as a direct expense to the following programs:

Business type activities	
Water operations	\$ 26,702
Total depreciation business type activities	<u>\$ 26,702</u>

General Long-Term Debt- The District has incurred the following long-term debt.

Business-type Activities:

Water Fund: The following item is the obligation of and repaid through the Water Fund.

Note Payable- \$1,451,556 loan started in 2016 to finance improvements to the District’s water system. Interest is computed at 2.80% with annual payments of \$95,772 through 2035. The loan is secured by the District’s water system.

Changes in General Long-Term Debt- A summary of changes in general long-term debt follows:

	<u>Balance January 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2021</u>
Business Type Activities				
Notes and Bonds from Direct Placement				
Water Fund Loan	\$ 1,096,748		\$ (65,064)	\$ 1,031,684
Total	<u>\$ 1,096,748</u>	<u>\$ -</u>	<u>\$ (65,064)</u>	<u>\$ 1,031,684</u>

Annual requirements to amortize the long-term debt is as follows:

MANCOS WATER CONSERVANCY DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

<u>Year Ending December 31,</u>	Notes and Bonds from Direct Placement	
	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 66,885	\$ 28,887
2024	68,758	27,014
2025	70,683	25,089
2026	72,662	23,110
2027-2031	394,992	83,869
2032-2035	357,704	25,385
Total	<u>\$ 1,031,684</u>	<u>\$ 213,354</u>

Fund Balance Restrictions and Assignments – Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates amounts that are designated for a specific purpose by the District Board but are not spendable until appropriated. If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is District policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned. The District uses the following restrictions and assignments

Restricted

TABOR – indicates that a portion of the fund balance has been segregated for expenditures for declared emergencies only. Fund balance restricted for TABOR consists of \$5,000 in the General Fund.

Assigned

Assigned for future expenditures – indicates anticipated fund balance available for appropriation in the next budget year. Fund balance assigned for future expenditures consists of \$922,086 in the General Fund.

Commitments and Contingent Liabilities – There appear to be no commitments or contingencies that would pose a threat of significant liability to the District.

MANCOS WATER CONSERVANCY DISTRICT

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December 31, 2021

Tax Spending, Revenue and Debt Limitations- Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue.

Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Those exceptions include spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves.

The Amendment requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

Risk Management – The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District has purchased commercial insurance for such risks including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three years.

Compliance with Laws and Regulations- The District may be in violation of State Statute. Expenditures exceeded appropriations in the Water Fund.

Mancos Water Conservancy District
Required Supplementary Information

December 31, 2021

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

Such information includes:

Budgetary Comparison Schedule
General Fund

Mancos Water Conservancy District

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
Interest on Taxes	\$ 500	\$ 500		\$ (500)
District Tax	140,462	140,462	\$ 150,268	9,806
Special Owner/Tax Exemptions	22,000	22,000		(22,000)
Total taxes	<u>162,962</u>	<u>162,962</u>	<u>150,268</u>	<u>(12,694)</u>
Total revenues	<u>162,962</u>	<u>162,962</u>	<u>150,268</u>	<u>(12,694)</u>
Expenditures				
General government				
Administrative	4,000	4,000	2,991	1,009
Auditing and Legal	7,500	7,500	8,500	(1,000)
Bonds	150	150	100	50
Contract Services	4,500	4,500	3,734	766
County Treasurer Fee	5,800	5,800	4,450	1,350
Insurance	19,355	19,355	11,413	7,942
Office Supplies	5,000	5,000	4,012	988
Payroll Taxes	2,560	2,560	2,972	(412)
Salary	32,872	32,872	37,473	(4,601)
Benefits	5,422	5,422	2,176	3,246
Utilities	5,900	5,900	3,025	2,875
Emergency Fund	4,889	4,889		4,889
Total general government	<u>97,948</u>	<u>97,948</u>	<u>80,846</u>	<u>17,102</u>
Total expenditures	<u>97,948</u>	<u>97,948</u>	<u>80,846</u>	<u>17,102</u>
Other financing sources (uses)				
Transfers in	(60,000)	(60,000)	(60,000)	-
Total other financing sources (uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Excess (deficit) of revenues and other sources over (under) expenditures and other uses	<u>5,014</u>	<u>5,014</u>	<u>9,422</u>	<u>4,408</u>
Fund balance, beginning of the year	904,373	904,373	917,664	13,291
Fund balance, end of the year	<u>\$ 909,387</u>	<u>\$ 909,387</u>	<u>\$ 927,086</u>	<u>\$ 17,699</u>

Mancos Water Conservancy District
Other Supplementary Information

December 31, 2021

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

These statements and schedules include:

Budgetary Comparison Schedule- Enterprise fund-Water Fund

Mancos Water Conservancy District
Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual
Proprietary Fund
Enterprise Fund
Water Fund

For the Year Ended December 31, 2021

	Budgeted Amounts		(Non GAAP Basis) Actual	Variance Favorable
	Original	Final	Amounts	(Unfavorable)
Operating Revenues				
Charges for services	\$ 65,012	\$ 65,012	\$ 58,759	\$ (6,253)
Water assessments	147,626	147,626	148,011	385
Other operating revenues	-	-	15	15
Total operating revenues	212,638	212,638	206,785	(5,853)
Operating Expenses				
Administrative	5,800	5,800	1,901	3,899
Capital outlay	389,328	389,328		389,328
Contract services	6,820	6,820		6,820
Contractual obligations	95,772	95,772	949,266	(853,494)
Dues	3,000	3,000	556	2,444
Equipment operations/repairs	20,000	20,000	7,189	12,811
Insurance	18,500	18,500	27,762	(9,262)
Maintenance of office and residence	28,500	28,500	6,160	22,340
Operations and maintenance	22,500	22,500	25,364	(2,864)
Payroll tax	3,442	3,442	3,939	(497)
Benefits	5,422	5,422		5,422
Salaries	46,838	46,838	52,864	(6,026)
Shop Supplies	6,150	6,150		6,150
Utilities	7,430	7,430	8,112	(682)
Total Operating Expenses	659,502	659,502	1,083,113	(423,611)
Operating income (loss)	(446,864)	(446,864)	(876,328)	(429,464)
Non-Operating Revenue (Expenses)				
Grant revenue	389,328	389,328	389,328	-
Property tax	83,343	83,343	98,103	14,760
Earnings on investments	850	850	1,727	877
Transfers In	60,000	60,000	60,000	-
Debt service				
Principal			(65,063)	(65,063)
Interest			(30,709)	(30,709)
Total Non-Operating Revenue	533,521	533,521	453,386	(80,135)
Change in net position non GAAP basis	86,657	86,657	(422,942)	(509,599)
Add debt service-principal			65,063	65,063
Add capital outlay				-
Less depreciation expense			(26,702)	(26,702)
Change in net position	86,657	86,657	(384,581)	(471,238)
Net position beginning of the year	439,825	439,825	1,130,144	690,319
Net position end of the year	\$ 526,482	\$ 526,482	\$ 745,563	\$ 219,081